Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 6/3/2003

GAIN Report #RO3009

Romania

Oilseeds and Products

Annual

2003

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Report Highlights:
Romania's production of sunflowers is forecasted to increase slightly in the 003/2004 marketing year, to approximately 910,000 tons. Planted area to sunflowers will expand to roughly 900,00 hectares. The increase is due in part to the cold winter, which forced some producers to plant sunflowers in winter-killed fields that were originally planted to wheat. Plantings and production of soybeans are expected to continue to increase, although soy remains a minor crop, planted on approximately 100,000 hectares.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Sofia [BU1], RO

Production

Limited to not more than 1 million hectares by the crop rotation pattern adequate to Romania, area to sunflowerseed has constantly expanded during the ‘90s, at the expense of other crops, like sugar beet and soybeans. Nonetheless, annual average yields continue to remain modest (barely exceeding 1 MT/HA), as a good share of this area is farmed by small producers, with rudimentary technology which makes output highly dependent on weather conditions.

Although soil moisture reserves in the spring of 2002 were insufficient, over 900,000 HA were planted to sunflowerseeds, of which about 880,000 HA were harvested in fall, with yields just above 1000 KG/HA. The severe drought which prevailed most of the growing season reduced the average yield in southern and eastern plains, the main oilseed producing regions. The overall production estimate for the marketing year 2002/03, corroborating data from traders, storage industry and processors with field observations, is 890,000 MT, some 50,000 MT less than the official statistics.

Area planted to soybeans went up to 70,000 HA (that is, up 40 percent compared to the previous season) in the MY 02/03, partly as a result of the GOR program to develop higher value crops and partly to the increased domestic crush. Though plant development still stressed by a persistently dry spring and summer, production reached 105,000 MT on 62,000 HA harvested.

After many months (November through March and even April) with temperatures reaching historical lows, oilseed crops were planted late and under dry conditions in 2002. Acreage still however remained high, as winterkill was dramatic in wheat and barley and large areas under winter crops needed to be replanted in spring. As for rapeseed, planted on about 110,000 HA (especially in east-southeast: Braila and Baragan), the crop was entirely damaged by the frequent freezing cycles up to a depth of 30 cm into the soil. Some spring rapeseed was planted during the delayed (by a very cold month of March) spring agricultural campaign, but both timing and depleted moisture reserves lead to forecasting a modest harvest for the MY 2003/04. Processors forecast Romania will need to import rapeseed for its margarine industry.

Area sown to sunflowers in the MY 2003/04 is forecast at 900,000 HA, close to the estimate of the previous year, while, taking into account conditions at planting and assuming no major natural calamities in the coming months, yields are expected to stay in the same range of slightly over 1000 KG/HA, with an overall production of about 910,000 MT. Over 60 percent of this acreage is in south-southeast counties (the Danube Plain and Dobrogea), while some other 10 percent in the Banat Plain. A similar regional pattern applies for soybeans, for which AgBucharest’s forecasted figures are 120,000 HA planted, resulting in production of 190,000 MT.

PSD Table Oilseed, Sunflowerseed

PSD Table						
Country	Romania					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	820	820	909	909	0	900
Area Harvested	790	790	800	880	0	870
Beginning Stocks	10	11	10	1	25	20
Production	744	744	900	890	0	910
MY Imports	14	14	20	15	0	5
MY Imp. from U.S.	0	0	3	1	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	768	769	930	906	25	935
MY Exports	90	101	130	180	0	200
MY Exp. to the EC	0	0	30	0	0	0
Crush Dom. Consumption	615	615	750	645	0	655
Food Use Dom. Consump.	5	5	5	6	0	5
Feed,Seed,Waste Dm.Cn.	48	47	20	55	0	55
TOTAL Dom. Consumption	668	667	775	706	0	715
Ending Stocks	10	1	25	20	0	20
TOTAL DISTRIBUTION	768	769	930	906	0	935
Calendar Year Imports	0	15	0	18	0	0
Calendar Yr Imp. U.S.	0	0	0	1	0	0
Calendar Year Exports	0	128	0	128	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table Oilseed, Soybean

PSD Table						
Country	Romania					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	44	43	75	70	0	120
Area Harvested	42	41	75	62	0	110
Beginning Stocks	10	10	10	10	10	6
Production	66	66	105	105	0	190
MY Imports	125	137	125	100	0	45
MY Imp. from U.S.	20	102	35	60	0	25
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	201	213	240	215	10	241
MY Exports	7	2	25	2	0	5
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	166	183	180	190	0	205
Food Use Dom. Consump.	2	2	5	2	0	3
Feed,Seed,Waste Dm.Cn.	16	16	20	15	0	20
TOTAL Dom. Consumption	184	201	205	207	0	228
Ending Stocks	10	10	10	6	0	8
TOTAL DISTRIBUTION	201	213	240	215	0	241
Calendar Year Imports	0	96	0	142	0	0
Calendar Yr Imp. U.S.	0	32	0	109	0	0
Calendar Year Exports	0	8	0	0	0	0

Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Consumption

A reasonably good production (both in terms of quality and quantity) of sunflowerseed in the MY 2002/03 generally permitted the crushing industry to domestically acquire the necessary raw material up to the next harvest. This amount is estimated to reach 550,000 MT throughout the year processed in industrial operations (with extraction rates averaging 42 percent), while about 95,000 MT crushed by farmers for self-consumption in rudimentary rural facilities (with extraction rates of 22-25 percent).

Demand for seed for sowing was high in the spring of 2003 (close to 5,500 MT), as large damaged areas of wheat and barley needed to be replanted to oilseeds and corn. Despite some imports, the limited availability of certified seeds led to some 10-15 percent of the overall 900,000 HA under sunflower to be sown with seeds from farmers' own production, which inevitably will affect yields and quality.

The increasing domestic soybean crushing capacity entirely absorbed the MY 2002/03 production of over 100,000 MT, which still covered just half of the necessary. As area under soybeans is expected to almost double during the next harvest year, both due to the incentives provided by the authorities to expand this crop, as well as to the limited alternative crops to replace the winterkilled ones, domestic production will likely bring down imports to 45-50 thousand MT throughout 2003-04, even considering an expanding processing industry triggered by livestock sector's recovery.

Trade

Romania is a net exporter of sunflowereseed, a crop for which the country has proven to have a comparative advantage. Under average conditions, the exportable annual surplus stands at about 150-200 MT, since domestic crushing consumption does not exceed 650-700 thousand MT.

Up to the end of the current harvest year, exports are likely to reach 170-180 thousand MT (from just 100,000 during the previous year), since export prices in Constanza port have been quite attractive lately, varying around $270/MT in April-May, while domestic processors generally secured their raw material inventories until the end of the season. Exports calendar year show that in 2002 Romania shipped 128,000 MT of sunflowerseed to its traditional EU markets: Italy, The Netherlands, Spain, France, Portugal, to which Pakistan and Turkey added.

Small, isolated amounts are yearly shipped from the neighboring countries to Romania, primarily from Ukraine, a country that still reportedly holds substantial surpluses of sunflowerseeds.

Romania's trade policy for sunlowerseeds is generally protectionist, with import duties set up at 20 percent *ad valorem* for CY 2003. This is still a progress from the 30 percent applied during the previous year, as this product was included by USTR and USDA negotiators in the trade package meant to improve access to the Romanian market. Moreover, seeds for processing are tax exempted between January 1 – August 31.

For soybeans Romania will continue to be a net importer, despite the boost in acreage (and production) recorded in the last two years. While throughout the previous marketing year imports reached 137,000 MT (of which the U.S. supplied over 100,000 MT, a historical high), the reasonably good domestic production in MY 02/03 will likely shrink imports by some 30 percent. Currently U.S. fob prices exceed by far the ones prevailing in Brazil and Argentina, which consequently are expected to be the main sources of soybeans for crushing to Romania.

Table 1 depicts Romania's current MFN import duties vs. preferences granted within regional trading blocs for the oilseed complex:

Table 1. Current duties on selected products (% ad valorem)

HS	Product	Applied 2003 MFN	Applied to imports from the EU	Applied to imports from the CEFTA
1206	Sunflower seeds, whether or not broken			
1206.0010	For sowing	20	NSP	0
1206.0091	For consumption	20 (1)	NSP	NSP
1206.0099	Other	20 (1)	NSP	NSP
1201	Soybeans, whether or not broken			
1201.0010	For sowing	0		
1201.0090	Other	0		
	Sunflowerseed oil			
1512.1191	Crude oil	40	NSP	NSP
1512.1991	Other	35	NSP	NSP (2)
	Soybean oil, whether or not refined			
1507.10	Crude oil	25	NSP	0
1507.90	Other	25	NSP	0
2306.3000	Sunflowerseed meal	10	NSP	0
2304.0000	Soybean meal	5	0	0

NSP – no special preference
(1) Tax exempted between January 1 – August 31.

(2) 30% for Hungary.

Romania is currently implementing a set of legislative measures aimed at reducing transaction costs with grains and oilseeds, including a grading system and a warehouse receipt system.

Export Trade Matrix Oilseed, Sunflowerseed

Export Trade Matrix			
Country	**Romania**		
Commodity	**Oilseed, Sunflowerseed**		
Time period	**CY2002**	**Units:**	**MT**
Exports for:			**1**
U.S.	**0**	**U.S.**	
Others		**Others**	
Italy	**36000**		
The Netherlands	**24000**		
Pakistan	**19000**		
Spain	**12000**		
France	**11000**		
Turkey	**10000**		
Portugal	**9000**		
Total for Others	**121000**		**0**
Others not Listed	**7000**		
Grand Total	**128000**		**0**

Import Trade Matrix Oilseed, Soybean

Import Trade Matrix			
Country	**Romania**		
Commodity	**Oilseed, Soybean**		
Time period	**CY**	**Units:**	**MT**
Imports for:	**2001**		**2002**
U.S.	**31500**	**U.S.**	**108600**
Others		**Others**	
Brazil	**46600**		**15000**
R. Moldova	**3400**		
Argentina	**1500**		**18000**
Total for Others	**51500**		**33000**
Others not Listed	**13000**		**400**
Grand Total	**96000**		**142000**

TOTAL OILS

Production

Domestic crushing capacity is expanding, as the industry continues to be one of the more appealing to investors.

Official statistics show that during the calendar year 2002, less than 40 percent of the existing crushing capacity for sunflowerseed (assessed at 1.33 million MT/year) was used, while for soybeans, the corresponding figure barely exceeded 45 percent (out of a 442,000 MT/year overall). For oil refinery, the total annual capacity is more than 400,000 MT, of which just half was used. For bottling, out of a 350,000 MT/year, only 47 percent were actually utilized. These figures can be, nevertheless, deceiving, without mentioning that some of the pre-1990 processors stopped operating, but continue to exist on paper.

The industry is consolidating and significant investments were made in upgrading crushing equipment, bottling and labeling, quality control, especially as Romania is adopting EU standards and procedures. Currently there are only two domestic integrated processors (both with foreign capital) with products certified according to ISO 9000.

The three largest players (among which the first one was recently acquired by a major U.S. processor) together hold 59 percent of the edible oil market in Romania. The rest of the market is generally fragmented among small companies, with a regional presence.

As there are export opportunities for sunflowerseed, domestic processors compete with traders in acquiring the necessary raw material. A pattern already common, the larger ones provide supplier credits to farmers, but generally scarce liquidity prevents most crushers from expanding into crude oil exports. At the other end of the marketing chain, competition becomes tougher as imports of refined oil from neighboring countries (e.g., Hungary, Moldova, Turkey) enjoy preferential treatment.

Consumption

Romanian consumers express a strong preference for sunflower oil, but supermarkets increasingly display products labeled “vegetable oil” or “oil for salad” on their shelves.

Currently, domestic edible oil market is estimated at $310 million, corresponding to over 210,000 MT (this does not include the 40,000 MT, roughly, crushed in rural facilities for household self-consumption).

Large domestic companies are struggling to strengthen their brand names in an attempt to differentiate themselves. There are thus several such brand names which already became “national” and product diversification and expansion in niche markets (e.g., low cholesterol oil, extra virgin olive oil, corn seed oil, rapeseed oil) are a natural trend.

As purchasing power remains depressed, home-cooked food still prevails in the average diet, resulting in relatively high household oil consumption, since oil, a staple food, is generally income inelastic.

Soybean oil is mostly primarily for margarine and animal feed. Unlike oil, sales of margarine were down 12 percent in 2002, as this product, more popular among low income population segments, proved to be very sensitive to consumption expenditure variations.

PSD Table Oil, Sunflowerseed

PSD Table						
Country	Romania					
Commodity	Oil,Sunflower seed				(1000 MT)(PERCENT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2001		10/2002		10/2003
Crush	615	615	750	645	0	655
Extr. Rate, 999.9999	0.398374	0.393496	0.393333	0.395349	ERR	0.396947
Beginning Stocks	6	1	16	6	15	15
Production	245	242	295	255	0	260
MY Imports	15	11	17	25	0	10
MY Imp. from U.S.	0	0	0	0.2	0	0
MY Imp. from the EC	0	3	5	5	0	0
TOTAL SUPPLY	266	254	328	286	15	285
MY Exports	30	20	50	30	0	25
MY Exp. to the EC	0	10	15	15	0	0
Industrial Dom. Consum	5	3	3	5	0	5
Food Use Dom. Consump.	210	224	260	234	0	235
Feed Waste Dom. Consum	5	1	0	2	0	2
TOTAL Dom. Consumption	220	228	263	241	0	242
Ending Stocks	16	6	15	15	0	18
TOTALDISTRIBUTION	266	254	328	286	0	285
Calendar Year Imports	0	3	0	22	0	0

Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	40	0	9	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Oil, Soybean

PSD Table						
Country	Romania					
Commodity	Oil, Soybean				(1000 MT)(PERCENT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Crush	166	183	180	190	0	205
Extr. Rate, 999.9999	0.180723	0.18032786885	0.1777778	0.1789474	ERR	0.180488
Beginning Stocks	1	1	2	4	1	1
Production	30	33	32	34	0	37
MY Imports	5	16	5	5	0	7
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	36	50	39	43	1	45
MY Exports	5	5	7	7	0	10
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	1	1	2	2	0	2
Food Use Dom. Consump.	27	22	18	20	0	22
Feed Waste Dom. Consum	1	18	11	13	0	11
TOTAL Dom. Consumption	29	41	31	35	0	35
Ending Stocks	2	4	1	1	0	0
TOTAL DISTRIBUTION	36	50	39	43	0	45
Calendar Year Imports	0	0.2	0	17	0	0

Calendar Yr Imp. U.S.	0	0	0	0.1	0	0
Calendar Year Exports	0	11	0	3	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade

Over the CY2002 Romania reverted to a net importer of sunflowerseed oil, importing 22,000 MT and exporting just 9,000 MT, while a year earlier exports had stood at 40,000 MT and imports at just 3,000.

This situation is partly explained by the temporary ban on sunflowerseed exports the GOR implemented during the MY 2001/02, partly by the preferential terms some countries enjoy for their exports to Romania. Moldova, for instance, with which Romania has a free trade agreement, reportedly supplied 86 percent of the total CY2002 imports of sunflowerseed oil, but there is a suspicion that part of it is transshipped Ukrainian oil.

Major destinations for the Romanian sunflowerseed oil in CY2002 were Poland, Macedonia, the Russian Federation.

Romania imported 17,000 of soybean oil in CY2002, but, by marketing year, this figure is likely to currently shrink, as domestic crushing capacity is on an upward trend. The main sources for these imports were Spain, the Republic of Moldova, Bulgaria, Germany, France, and Portugal. Duty rates for Moldova and Bulgaria (a CEFTA member) are zero for this product.

Import Trade Matrix Oil, Soybean

Import Trade Matrix			
Country	Romania		
Commodity	Oil, Soybean		
Time period	CY2002	Units:	MT
Imports for:			1
U.S.		U.S.	
Others		Others	
Spain	5500		
Rep. of Moldova	3000		
Bulgaria	1500		
Germany	3000		
France	1500		
Portugal	1500		
Total for Others	16000		0
Others not Listed	1000		
Grand Total	17000		0

Export Trade Matrix Oil, Sunflowerseed

Export Trade Matrix			
Country	Romania		
Commodity	Oil, Sunflower seed		
Time period	CY2002	Units:	MT
Exports for:			1
U.S.	0	U.S.	
Others		Others	
Poland	6400		
Macedonia	1200		
Russian Federation	1000		
Rep. of Moldova	300		
Total for Others	8900		0
Others not Listed	300		
Grand Total	9200		0

Import Trade Matrix Oil, Sunflowerseed

Import Trade Matrix			
Country	Romania		
Commodity	Oil, Sunflower seed		
Time period	CY2002	Units:	MT
Imports for:			1
U.S.	190	U.S.	
Others		Others	
Rep. of Moldova	19300		
Turkey	1600		
Total for Others	20900		0
Others not Listed	1100		
Grand Total	22190		0

TOTAL MEALS

Production

Sunflowerseed meal continued to be a good seller over the MY2002/03, both domestically and for export purposes. Production of this by-product is estimated at about 260,000 MT, of which about half domestically consumed.

For soybean meal, though the volume (and protein content) of production continues to increase, Romania will continue to import substantial amounts, in close relationship with livestock sector's rebound. Official statistics show that recovery in the livestock sector continued throughout the CY2002. Compared to the end of December 2001, at the end of 2002 cattle inventories were up 3 percent, sheep and goat population increased by 2 percent, while annual growth in both swine and poultry sectors reached 8 percent respectively. Similar trends registered milk, poultry and meat production.

As a result, the sector is one of the most dynamic in terms of new investments. For instance, since 2002 the most important producer of soybean meal in Romania (and main importer of soybeans from U.S.) has started a modernization project for its production facilities. The plant's capacity is 160,000 MT per year, greater than domestic production which was
120,000 MT in 1997 and is forecast at the same level in 1998. The shareholder purchased crushing equipment from U.S., for soybean meal production with high protein content (type Hi Pro, with 47-47.5% P.B. and a maximum of 3% C.B). The rehabilitation project includes production flow adjustments (elevators, constructions, ventilators). The total investment reached $ 500,000 This is the highest investment in oilseeds processing sector since 1989. The new production of soybean meals is scheduled to start in mid August 2003.

PSD Table Meal, Sunflowerseed

PSD Table						
Country	Romania					
Commodity	Meal, Sunflowerseed				(1000 MT)(PERCENT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate [New]	USDA Official[Old]	Post Estimate [New]
MY Begin		10/2001		10/2002		10/2003
Crush	615	615	750	645	0	655
Extr. Rate	0.528455	0.414634	0.553333	0.403101	ERR	0.40458
Beginning Stocks	7	4	10	0	15	3
Productio	325	255	415	260	0	265
MY Imports	15	0	5	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
TOTAL SUPPLY	347	259	430	260	15	268
MY Exports	100	178	160	130	0	140
MY Exp. to the EC	40	80	0	0	0	0
Industrial Dom. Consum	0	1	3	2	0	2
Food Use Dom. Consump.	0	0	0	0	0	0

Feed Waste Dom. Consum	*237*	*80*	*252*	*125*	*0*	*120*
TOTAL Dom. Consump.	*237*	*81*	*255*	*127*	*0*	*122*
Ending Stocks	*10*	*0*	*15*	*3*	*0*	*6*
TOTAL DISTRIB.	*347*	*259*	*430*	*260*	*0*	*268*
Calendar Year Imports	*0*	*0*	*0*	*0*	*0*	*0*
C Yr Imp. U.S.	*0*	*0*	*0*	*0*	*0*	*0*
CY Exports	*0*	*185*	*0*	*127*	*0*	*0*
CYr Exp. to U.S.	*0*	*0*	*0*	*0*	*0*	*0*

PSD Table Meal, Soybean

PSD Table						
Country	*Romania*					
Commodity	*Meal, Soybean*				*(1000 MT)(PERCENT)*	
	2001	*Revised*	*2002*	*Estimate*	*2003*	*Forecast*
	USDA Official[Old]	*Post Estimate[New]*	*USDA Official[Old]*	*Post Estimate[New]*	*USDA Official[Old]*	*Post Estimate[New]*
Market Year Begin		*10/2001*		*10/2002*		*10/2003*
Crush	*166*	*183*	*180*	*190*	*0*	*205*

Extr. Rate, 999.9999	0.753012	0.79235	0.761111	0.789474	ERR	0.790244
Beginning Stocks	5	15	22	20	25	9
Production	125	145	137	150	0	162
MY Imports	215	108	185	80	0	90
MY Imp. from U.S.	0	1	15	7	0	10
MY Imp. from the EC	20	0	0	0	0	0
TOTAL SUPPLY	345	268	344	250	25	261
MY Exports	0	11	10	10	0	14
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	323	237	309	231	0	242
TOTAL Dom. Consumption	323	237	309	231	0	242
Ending Stocks	22	20	25	9	0	5
TOTAL DISTRIBUTION	345	268	344	250	0	261
Calendar Year Imports	0	91	0	108	0	0
Calendar Yr Imp. U.S.	0	1	0	7	0	0
Calendar Year Exports	0	1	0	10	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade

Up to the end of the current marketing year, Romania's exports of sunflowerseed meal will likely reach 130,000 MT, a decline of more than 25 percent, as domestic demand increased. Throughout CY2002, the main destinations for the 127,000 MT shipped remained the traditional ones: Hungary, Italy, Israel, Spain, Germany, Albania, Croatia.

AgBucharest estimates that imports of soybean meal will shrink by 20-25 percent over MY2002/03. Major sources for the 108,000 MT imported by Romania during the CY2002 were Brazil (supplying more than half), Argentina, Greece, U.S., Italy.

Import Trade Matrix Meal, Soybean

Import Trade Matrix			
Country	Romania		
Commodity	Meal, Soybean		
Time period	CY2002	Units:	MT
Imports for:			1
U.S.	7000	U.S.	
Others		Others	
Brazil	55000		
Argentina	33500		
Greece	7300		
Italy	3000		
Hungary	1500		
Total for Others	100300		0
Others not Listed	700		
Grand Total	108000		0

Export Trade Matrix Meal, Sunflowerseed

Export Trade Matrix			
Country	*Romania*		
Commodity	*Meal, Sunflowerseed*		
Time period	*CY2002*	*Units:*	*MT*
Exports for:			*1*
U.S.	*0*	*U.S.*	
Others		*Others*	
Hungary	*76000*		
Italy	*15000*		
Israel	*10000*		
Spain	*8000*		
Germany	*5000*		
Albania	*3000*		
Croatia	*1800*		
Total for Others	*118800*		*0*
Others not Listed	*8500*		
Grand Total	*127300*		*0*

Prices

Despite the good production of sunflowerseed in 2002/03, in-silo domestic prices have continuously and steadily appreciated from October through May. Compared to January 2002, in January of this year quotations for this commodity were up 55 percent, but lately more or less stabilized around $240-250/MT. This is partly due to the temporary exemption from customs duties, applicable from January 1 to August 31.

Current CIF prices in Constanza port vary around $270/MT, but imports are not really of significance.

Domestic producer prices for soybean were around $200-220/MT, based on protein content.

Soybean meal is offered by local crushers at $235-245/MT, while import parity prices at the point of consumption exceed $250/MT.

Prices Table			
Country	Romania		
Commodity	Oilseed, Sunflowerseed		
Prices in		per uom	
Year	2002	2003	% Change
Jan	155	241	55.48%
Feb	184	250	35.87%
Mar	198	241	21.72%
Apr	209	241	15.31%
May	209	254	21.53%
Jun	208		
Jul	213		
Aug	211		
Sep	200		
Oct	209		
Nov	223		
Dec	233		

Domestic Support

Consistent with its longer-term strategy, the Ministry of Agriculture and Food envisages two types of direct support programs, for which operations that can be defined as "commercial farms" are eligible: procurement direct payments and input subsidies. In addition, there are a number of measures aimed at partly covering irrigation and drainage control costs, pests and disease control, extension services. A newly introduced support measure refers to crop insurance, for which rates are 20 percent covered by the state. For the fiscal year 2003, $430 million from the state budget were allocated for agriculture, that is, almost 20 percent more than a year earlier.

A breakdown of the total budgetary support provided under crop programs is given in Table 2.

Table 2: Allocations for crop programs in the FY 2003

	MT	US$ million*	% of agricultural budgetary outlays
Direct Subsidies			
A. Certified seed price reduction, of which:		38.3	9
▪ For sunflowerseed	3,500	0.5	0.12
▪ For soybean	7,100	0.2	0.04
B. Direct procurement payments, of which:		69.3	16
▪ For wheat	2,500	5.8	1.35
▪ For barley for malt	300	1.3	0.31
Indirect subsidies			
A. Irrigation		44.8	10.4
B. Pest and disease control		4.5	1.0
C. Bank interest subsidies		3.6	0.8

**Calculated at 33,500 ROL/US$ exchange rate.*